

**FY 2015
ANNUAL TAX INCREMENT FINANCE
REPORT**



**STATE OF ILLINOIS
COMPTROLLER
LESLIE GEISSLER MUNGER**

Name of Municipality: O'Fallon Reporting Fiscal Year: **2015**
 County: St Clair Fiscal Year End: **4/30/2015**
 Unit Code: 088/110/30

TIF Administrator Contact Information

First Name: Sandra Last Name: Evans
 Address: 255 S. Lincoln Title: Director of Finance
 Telephone: 618-624-4500 ext 8723 City: O'Fallon Zip: 62269
 Mobile _____ E-mail- sevans@ofallon.org
 Mobile _____ Best way to Email _____ Phone _____
 Provider _____ contact Mobile _____ Mail _____

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of
O'Fallon
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

 Written signature of TIF Administrator _____ Date 10-23-15

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF #1 - 158 Corridor TIF District	6/19/1995	
TIF #2 - Green Mount Medical Campus Redevelopment Area	11/21/2011	
TIF #3 - Central Park Redevelopment Area	5/7/2012	
TIF #4 - Rte 50/Scott Troy Road	4/20/2015	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2015

Name of Redevelopment Project Area:	TIF #3 Central Park Plaza
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Retail/Other Commercial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2015

TIF NAME: TIF #3 Central Park Plaza

Fund Balance at Beginning of Reporting Period \$ (98,063)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 270,008	\$ 270,008	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 270,008

Cumulative Total Revenues/Cash Receipts \$ 270,008 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 191,193

Distribution of Surplus \$ 81,057

Total Expenditures/Disbursements \$ 272,250

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (2,242)

FUND BALANCE, END OF REPORTING PERIOD* \$ (100,305)

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (7,325,074)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2015

TIF NAME: TIF #3 Central Park Plaza

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Legal Fees	1,080	
Consulting Fees	2,368	
Development reimbursement for Engineering Fees	7,538	
		\$ 10,986
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
Development reimbursement for site preparation	178,399	
		\$ 178,399
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

Section 3.2 B

FY 2015

TIF NAME: TIF #3 Central Park Plaza

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

Name	Service	Amount
Menards Inc	Property site preparation	\$ 178,398.82
St Clair County	Surplus distribution	\$ 81,056.95

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2015

TIF NAME: TIF #3 Central Park Plaza

FUND BALANCE, END OF REPORTING PERIOD \$ (100,305)

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

N/A		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

Menards Redevelopment Agreement		\$ 2,921,601
Parkway Lakeside Apartments Redev Agreement		\$ 230,000
Central Park Retail Center Redev Agreement		\$ 482,462
Central Park Plaza Condominiums Redev Agreement		\$ 1,250,000
Intersection Improvements Greenmount/Central Park Dr		\$ 1,000,000
Gander Mountain Redevelopment Agreement		\$ 1,240,400
Due to General Fund for TIF related expenses		\$ 100,306

Total Amount Designated for Project Costs \$ 7,224,769

TOTAL AMOUNT DESIGNATED \$ 7,224,769

SURPLUS*/(DEFICIT) \$ (7,325,074)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2015

TIF NAME: TIF #3 Central Park Plaza

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2015

TIF NAME: TIF #3 Central Park Plaza

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
_____ <u>6</u> _____			
		Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:	11/1/99 to Date		
Private Investment Undertaken (See Instructions)	\$ 32,012,000	\$ -	\$ 34,212,000
Public Investment Undertaken	\$ 224,730	\$ 303,500	\$ 7,304,400
Ratio of Private/Public Investment	142 25/56		4 67/98

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

MENARDS			
Private Investment Undertaken (See Instructions)	\$ 23,700,000		\$ 23,700,000
Public Investment Undertaken	\$ 178,399	\$ 250,000	\$ 3,100,000
Ratio of Private/Public Investment	132 28/33		7 20/31

Project 2:

PARKWAY LAKESIDE APARTMENTS			
Private Investment Undertaken (See Instructions)	\$ 500,000	\$ -	\$ 500,000
Public Investment Undertaken	\$ -	\$ 1,000	\$ 230,000
Ratio of Private/Public Investment	0		2 4/23

Project 3:

CENTRAL PARK RETAIL CENTER			
Private Investment Undertaken (See Instructions)	\$ 1,595,000		\$ 1,595,000
Public Investment Undertaken	\$ 7,538	\$ 12,500	\$ 484,000
Ratio of Private/Public Investment	211 22/37		3 13/44

Project 4:

CENTRAL PARK PLAZA CONDOMINIUMS			
Private Investment Undertaken (See Instructions)	\$ -		\$ 2,200,000
Public Investment Undertaken	\$ -		\$ 1,250,000
Ratio of Private/Public Investment	0		1 19/25

Project 5:

INTERSECTION IMPROVEMENTS GREENMOUNT/CENTRAL PARK DRIVE			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 38,793	\$ 40,000	\$ 1,000,000
Ratio of Private/Public Investment	0		0

Project 6:

COMMERCIAL REAL ESTATE INVESTOR (GANDER MOUNTAIN)			
Private Investment Undertaken (See Instructions)	\$ 6,217,000	\$ -	\$ 6,217,000
Public Investment Undertaken	\$ -	\$ -	\$ 1,240,400
Ratio of Private/Public Investment	0		5 1/83

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of complete TIF report**

SECTION 6

FY 2015

TIF NAME: TIF #3 Central Park Plaza

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
5/7/2012	\$ 673,087	\$ 5,554,203

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
St Clair County	\$ 9,209
SWIC District #522	\$ 4,164
Central District #104	\$ 32,962
OFallon HS District #203	\$ 22,318
OFallon Library	\$ 1,534
Caseyville Rd	\$ 1,089
Caseyville Township	\$ 1,161
City of OFallon	\$ 8,619
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

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Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	



Certification of the Chief Executive
Officer of the municipality that the municipality
had complied with all of the requirements of this Act
during the preceding fiscal year
[65 ILCS 5/11-74.1-5 (d) (3) and 5/11-74.6-22 (d) (3)]

I, Gary Graham, the duly elected Mayor of the City of O'Fallon, County of St. Clair, Illinois, State of Illinois, and as such, do hereby certify that the City of O'Fallon has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year covered by this report (May 1, 2014 – April 30, 2015).

10-26-15
Date


Gary Graham
Mayor of the City of O'Fallon



“(C) An opinion of legal counsel that the municipality is in compliance with this Act.”
[65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]

I, Terry Bruckert, am the Tax Increment Financing Attorney for the City of O’Fallon, Illinois and have been such throughout the fiscal year covered by this report (May 1, 2014- April 30, 2015).

I have reviewed all information provided to me by the City administration and staff, and I find that the City of O’Fallon, Illinois has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth hereunder to the best of my knowledge and belief.

This opinion relates only to the time period set forth, and is based upon all information available to me as of the end of said fiscal year.

10-26-15
Date

Terry Bruckert
Signature

City of O'Fallon
St. Clair County, Illinois

STATEMENT OF ACTIVITIES TO FURTHER
OBJECTIVES OF THE REDEVELOPMENT PLAN

Year Ended April 30, 2015

Menards

Menards is a retail hardware store that the City contracted with the developer to design, engineer, manage and finance construction of drives, sidewalks, sanitary sewer extensions, and other improvements. The project is complete as of 4/30/2014.

Parkway Lakeside Apartments

Parkway Lakeside Apartment Homes LLC is a Missouri limited liability company that the City has contracted with the developer to handle general repairs and maintenance in the floodway area. This includes but is not limited to grass cutting, installation and maintenance of a natural path, tree trimming, and removal of dead animals. Activity has taken place as dictated by the weather.

Central Park Retail Center

Greenmount Retail Center LLC has contracted with the City to construct a 9,800 square foot retail center to be known as the Central Park Retail Center. The improvements include but are not limited to the construction/reconstruction/relocation of utilities, parking lot, curbs, street improvements and landscaping, storm water detention and drainage and other infrastructure improvements. The project is complete as of 4/30/2014.

Central Park Plaza Condominiums

Central Park Plaza Condominiums LLC is a Missouri limited liability company that the City has contracted with the developer to handle site preparation, site improvement, mine remediation, construction of public works or improvements and water lines. As of 4/30/2015, there has been no activity.

Intersection Improvements for Greenmount/Central Park Plaza

The City has retained a traffic engineering firm and a civil engineering firm to undertake traffic studies and to begin design of improvements to the intersection at Green Mount Road and Central Park Drive. There has been no further activity as of 4/30/2015.

Commercial Real Estate Investors (Gander Mountain)

Commercial Real Estate Investors, LP is an Illinois limited partnership that the City has contracted with to construct Gander Mountain; a retail center focused on hunting, fishing, camping and other outdoor gear. The improvements include but are not limited to the construction/reconstruction/relocation of utilities, parking lot, curbs, street improvements and landscaping, storm water detention and drainage and other infrastructure improvements. The store opened late May 2015.

E.
City of
O'Fallon



* A 0 2 4 3 9 2 7 3 4 5 *

A02439273

MICHAEL T. COSTELLO
RECORDER OF DEEDS
ST. CLAIR COUNTY
BELLEVILLE, IL

01/09/2015 10:15:01AM

TOTAL FEE: \$75.25

PAGES: 45

CLERK'S CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF ST. CLAIR) ss.
CITY OF O'FALLON)

I, PHILIP A. GOODWIN, City Clerk for said City of O'Fallon, duly elected, qualified, and acting, and keeper of the records and seals thereof, do hereby certify the attached to be a true, complete, and correct copy of Ordinance No. 3850 duly passed by the City Council of the City of O'Fallon at a Regular meeting of said City Council on the 17th day of November 2014, as the said matter appears on file and of record in this office.

I do further certify that prior to the execution of this certificate by me, the said Ordinance has been spread at length upon the permanent records of said City, where it now appears and remains in the book of Ordinances of the City kept by myself, a book labeled Ordinances.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said City at my office in the City of O'Fallon, Illinois, this 9 day of JAN 2015.

(SEAL)

PHILIP A. GOODWIN,
City Clerk
City of O'Fallon
St. Clair County, Illinois



45

**CITY OF O'FALLON, ILLINOIS
ORDINANCE NO. 3850**

**AN ORDINANCE OF THE
CITY OF O'FALLON WHICH
AUTHORIZES THE EXECUTION OF
THE REDEVELOPMENT
AGREEMENT WITH COMMERCIAL
REAL ESTATE INVESTORS, LP**

WHEREAS, the City of O'Fallon, St. Clair County, Illinois (the "City") has the authority to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment ("TIF") Act, constituting Section 65 ILCS 5/11-74.4-1, et. seq., as amended (the "TIF Act"), to share a portion of the incremental tax revenue generated by the redevelopment project with the developer of such project to induce the developer's undertaking and performance of such project; and

WHEREAS, the City authorized preparation of a redevelopment plan entitled "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan – Central Park Redevelopment Area" ("Redevelopment Plan"), with established geographic boundaries (hereinafter the "Redevelopment Project Area") for the City of O'Fallon, St. Clair County, Illinois; and

WHEREAS, in accordance with the TIF Act, the City (i) convened a joint review board which performed all actions required under the TIF Act, and (ii) held and conducted a public hearing with respect to the Redevelopment Plan and Redevelopment Project Area described in such Redevelopment Plan at a meeting of the Mayor and City Council (the "Council") held on April 2, 2012, notice of such hearing having been given in accordance with the TIF Act; and

WHEREAS, the Council, after giving all notices required by law, and after conducting all public hearings required by law, adopted the following ordinances:

- (1) Ordinance No. 3754, approving the Redevelopment Plan and Project,
- (2) Ordinance No. 3755, designating the Redevelopment Project Area, and
- (3) Ordinance No. 3753, adopting Tax Increment Financing for the Redevelopment Project Area and establishing a special tax allocation fund therefore ("Special Tax Allocation Fund"); and

WHEREAS, Commercial Real Estate Investors, LP ("Developer") has submitted a Redevelopment Proposal providing for a redevelopment project to be undertaken by the Developer within a portion of the Redevelopment Project Area (the

“Project Area”). The City and Developer reasonably expect that completion of the redevelopment project (as defined in the Redevelopment Agreement to be approved by this Ordinance) will generate additional tax revenues and economic activity in furtherance of the goals of the Redevelopment Plan; and

WHEREAS, the Council desires to enter into an agreement (“Redevelopment Agreement”) with the developer to implement certain portions of the Redevelopment Plan and to enable the developer to carry out the development project; and

WHEREAS, the City is desirous of having the Project Area developed for such uses as identified in the Redevelopment Proposal in order to serve the needs of the community, to create jobs, to further the development of O’Fallon, and to produce increased tax revenues and enhance the tax base of the City and the various taxing districts which are authorized to levy taxes within the Redevelopment Area; and the City, in order to stimulate and induce the development of the Project, has agreed to apply TIF revenues under the TIF Act and the Redevelopment Plan to finance the reimbursable redevelopment project costs (as defined in the Redevelopment Agreement) with the Developer; and

WHEREAS, pursuant to the TIF Act, the City is authorized to enter into a Redevelopment Agreement with the Developer.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of O’Fallon, St. Clair County, Illinois, as follows:

1. That the preceding recitations in the upper part of this Ordinance are realleged, restated and adopted as paragraph one (1) of this Ordinance; and
2. The Council finds and determines that it is necessary and desirable to enter into an agreement with the Developer to implement certain portions of the Redevelopment Plan and to enable the Developer to carry out the Development Project; and
3. The Council hereby approves the Redevelopment Agreement in substantially the form attached hereto as Exhibit “A” (“Redevelopment Agreement”).
4. The Mayor is hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement between the City and Developer, and the City Clerk is hereby authorized and directed to attest to the Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes therein as shall be approved by the officers of the City executing the same, such official signatures thereon being conclusive evidence of their approval and the City’s approval thereof; and
5. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action and execute such other documents, certificates and instruments as may be necessary

or desirable to carry out and comply with the intent of this Ordinance;
and

6. The sections, paragraphs, sentences, clauses and phrases of this Ordinance shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid; and
7. This Ordinance shall be governed exclusively by, and construed in accordance with, the applicable laws of the State of Illinois; and
8. The Mayor is hereby authorized and directed to execute and deliver on behalf of the City, and the City Clerk is hereby authorized and directed where appropriate to attest, all certificates, documents, agreements or other instruments, and the Mayor or his designated representative is hereby authorized and directed to take any and all actions, as may be necessary, desirable, convenient or proper to carry out and comply with the provisions of all agreements or contracts, necessary or reasonable incidental to the implementation of this Ordinance; and
9. All Ordinances, motions or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall take effect and be in full force from and after the date of its passage by the City Council and approval by the Mayor as provided by law.

PASSED and APPROVED this 17th day of November 2014.

ROLL CALL:	McCoskey	Meile	True	Albrecht	Mouser	Hagarty	Drolet	SUB TOTALS
Aye	X	X	X	X	X	X	X	7
Nay								0
Absent								0

ROLL CALL:	Roach	Bennett	Cardona	Hursey	Holden	Cozad	Gerrish	SUB TOTALS	SUM OF TOTALS
Aye	X	X	X	X	X	X	X	7	14
Nay								0	0
Absent								0	0



Gary L. Graham
Gary Graham, Mayor

ATTEST:

Philip A. Goodwin
Phil Goodwin, City Clerk

Maryanne Fair, MMC
Deputy City Clerk

④ RTTC 2001288



A02436077
MICHAEL T. COSTELLO
RECORDER OF DEEDS
ST. CLAIR COUNTY
BELLEVILLE, IL
12/09/2014 11:57:25AM
TOTAL FEE: \$29.25
PAGES: 2

Return To:
Commercial Real Estate Investors, LP
1331 Park Place Plaza, Suite 4
O'Fallon, IL 62269-1772

RELEASE OF EASEMENTS RIGHTS

City of O'Fallon, IL

This Document Prepared By:

Berutti & Associates, Inc.
204 West Main Street
Belleville, Illinois 62220

RELEASE OF EASEMENTS RIGHTS

THIS INSTRUMENT made and entered into this 24th day of
November 2014, WITNESSETH THAT:

29.25

WHEREAS, certain easements for utility purposes were dedicated on Lots 23A and 23B of Central Park Plaza, 3rd Addition, 1st Amendment a re-subdivision of Lot 23 of "Central Park Plaza, 3rd Addition" and Outlot 1 of "Central Park Plaza, 4th Addition, 1st Amendment", being a part of the Northwest, Northeast, and Southeast quarter of Section 36, Township 2 North, Range 8 West of the Third Principal meridian, City of O'Fallon, St. Clair County, Illinois, Plat Book 104, Page 66, Document No. A01856670 and Central Park Plaza, 3rd Addition, 4th Amendment, a re-subdivision of Lot 23M of "Central Park Plaza, 3rd Addition, 3rd Amendment" being a part of the Northwest, Northeast, and Southeast quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian, City of O'Fallon, St. Clair County, Illinois Plat Book 106, Page 33, Document No. A01931243.

03-36-0-201-009 + 010 + 017 ✓

NOW THEREFORE, in consideration of One Dollar (\$1.00) in hand paid to the City of O'Fallon, IL, right, title and interest in the described easement as shown hatchured on attached Easement Vacation Plat marked Exhibit A.

WHEREAS, the City of O'Fallon has vacate its utility easement per the findings of the O'Fallon City Council in the described easement as shown hatchured on attached Easement Vacation Plat marked Exhibit A.



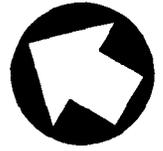
IN WITNESS WHEREOF, the City of O'Fallon, IL has caused this instrument to be signed by the Mayor and its corporate seal hereunto affixed the day and year first above written.

MAYOR:

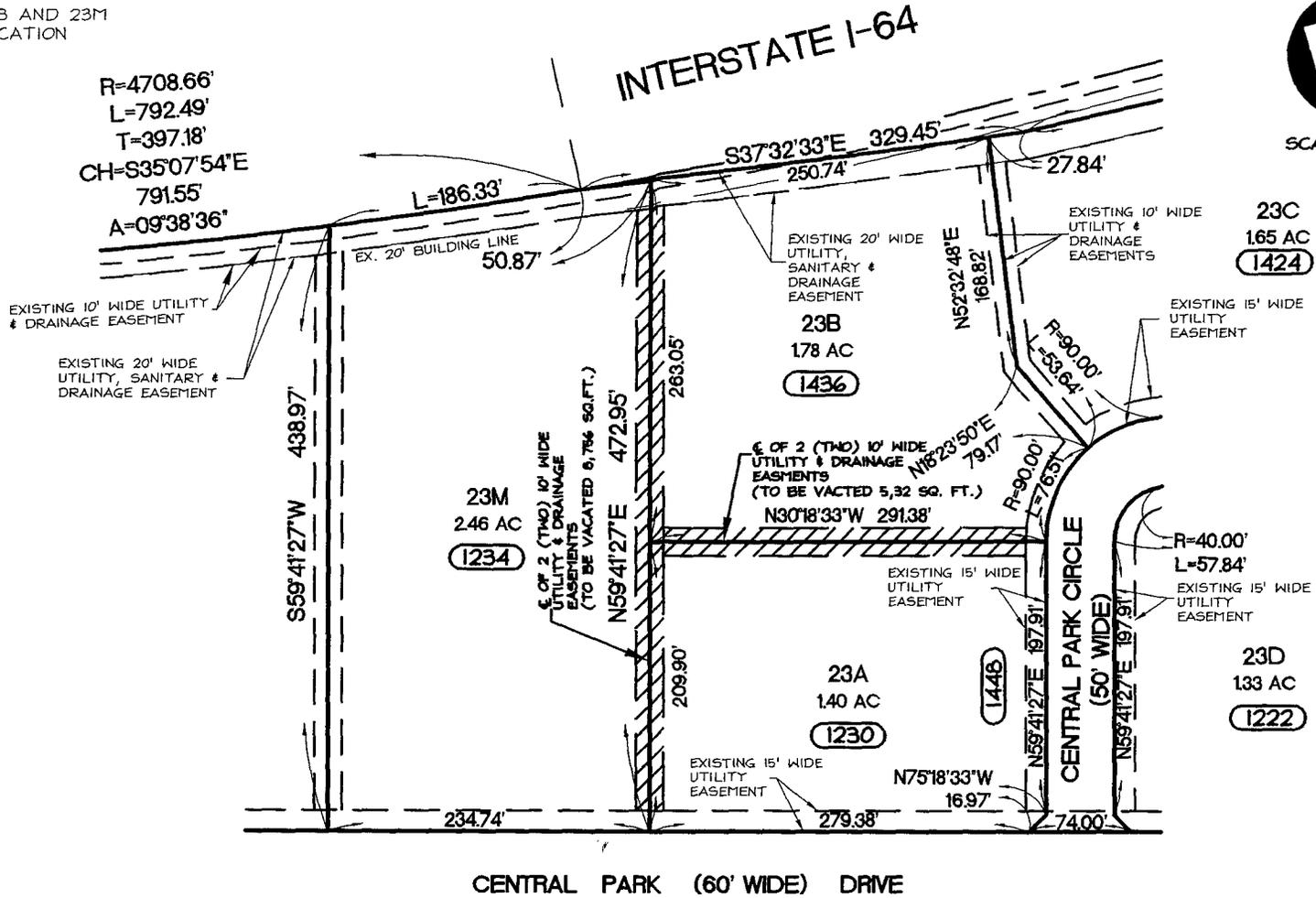
Philip A. Goodwin
Philip A. Goodwin, City Clerk
Marjorie Fair
Deputy City Clerk
Exempt Under Provision of Paragraph
Act, Philip A. Goodwin
Philip A. Goodwin, City Clerk
Marjorie Fair
Deputy City Clerk

Gary L. Graham
Gary L. Graham, Mayor

14-39
 LOTS 23A, 23B AND 23M
 EASEMENT VACATION



SCALE: 1"=100'



EASEMENT VACATION PLAT

BEING PART OF LOT 23A AND 23B OF CENTRAL PARK PLAZA 3RD ADDITION, 1ST AMENDMENT
 CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS AND
 PART OF LOT 23M OF CENTRAL PARK PLAZA 3RD ADDITION, 4TH AMENDMENT
 CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS

EXHIBIT A

DATE: 11-12-2014

REDEVELOPMENT AGREEMENT

between

CITY OF O'FALLON, ILLINOIS

and

COMMERCIAL REAL ESTATE INVESTORS, LP

dated as of

December 5, 2014

**CITY OF O'FALLON, ILLINOIS TAX INCREMENT FINANCING REDEVELOPMENT PLAN
CENTRAL PARK REDEVELOPMENT AREA**

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (this "**Agreement**") is made and entered into as of the 5th day of December, 2014 by and between the City of O'Fallon Illinois, an Illinois municipal home rule corporation (the "**City**"), and COMMERCIAL REAL ESTATE INVESTORS, LP., an Illinois limited partnership, whose address is 1331 Park Plaza Dr., Ste. 4, O'Fallon, IL 62269 ("**CREI**").

RECITALS

The following Recitals are incorporated herein and made a part hereof.

A. The City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the City and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the City, foster increased economic activity within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the City.

B. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the "**TIF Act**"), to finance redevelopment in accordance with the conditions and requirements set forth in the TIF Act.

C. Pursuant to the TIF Act, a plan for redevelopment known as the "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan – Central Park Redevelopment Area" (the "**Redevelopment Plan**") for an area designated therein (the "**Redevelopment Project Area**"), consisting of approximately 145 acres, as legally described in the Redevelopment Plan and on **Exhibit A** hereto, has been prepared and reviewed by the City. Within the Redevelopment Project Area is a parcel of land designated as the "CREI Parcel," (defined below and legally described on **Exhibit B** hereto) which is the basis for this Agreement and described more fully within. CREI is the owner of the CREI Parcel.

D. In accordance with the TIF Act, the City (i) convened a Joint Review Board which performed all actions required under the TIF Act, and (ii) held and conducted a public hearing with respect to the Redevelopment Plan and the Redevelopment Project at a meeting of the City Council (the "**Corporate Authorities**") of the City held on April 2, 2012, notice of such hearing having been given in accordance with the TIF Act.

E. The Corporate Authorities, after giving all notices required by law and after conducting all public hearings required by law, adopted the following ordinances: (1) Ordinance No. 3754, approving the Redevelopment Plan, (2) Ordinance No. 3754, designating the Redevelopment Project Area, and (3) Ordinance No. 3753, adopting tax increment financing for the Redevelopment Project Area, which contains CREI's Parcel, and establishing a special tax allocation fund therefor (the "**Special Tax Allocation Fund**").

F. CREI has presented a Development Project to the City, to be undertaken by CREI and the City, in accordance with the terms and conditions of this Agreement.

G. CREI agrees to complete the CREI Improvements (as defined herein) in connection with CREI's Development Project, subject to the conditions herein and the City's performance of its obligations under this Agreement.

H. The City strongly supports increased economic development to provide additional jobs for residents of the City, to expand retail business and commercial activity within the City and to develop a healthy economy and stronger tax base. The City and CREI reasonably expect that completion of CREI's Development Project will generate additional tax revenues and economic activity in furtherance of the goals of the Redevelopment Plan.

I. It is necessary for the successful completion of CREI's Development Project that the City enter into this Agreement with CREI to provide for the redevelopment of CREI's Parcel within the larger Redevelopment Project Area, thereby implementing the Redevelopment Plan.

J. CREI is unable and unwilling to undertake the redevelopment of CREI's Parcel but for certain tax increment financing ("TIF") incentives to be provided by the City in accordance with the TIF Act and the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein. The parties acknowledge and agree that but for the TIF incentives to be provided by the City, CREI cannot successfully and economically develop CREI's Parcel in a manner satisfactory to the City. The City has determined that it is desirable and in the City's best interests to assist CREI in the manner set forth herein, and as this Agreement may be supplemented and amended.

K. CREI proposes to construct the CREI Improvements in connection with the CREI's Development Project on CREI's Parcel and has demonstrated to the City's satisfaction that CREI has the experience and capacity to complete the CREI Improvements.

L. The City, in order to stimulate and induce development of CREI's Parcel, has determined that it is in the best interests of the City to finance certain CREI's Development Project Costs through Incremental Property Taxes, all in accordance with the terms and provisions of the constitution and statutes of the State of Illinois, including the TIF Act and this Agreement.

M. The Corporate Authorities hereby determine that the implementation of CREI's Development Project and the fulfillment generally of the Redevelopment Plan are in the best interests of the City, and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

N. Pursuant to the provisions of the TIF Act, the City is authorized to enter into this Agreement to evidence the City's obligation to pay certain CREI's Development Project Costs incurred in furtherance of the Redevelopment Plan and CREI's Development Project, and to pledge the Incremental Property Taxes to the payment of the Reimbursable CREI's Development Project Costs to assist in financing of CREI's Development Project.

O. This Agreement has been submitted to the Corporate Authorities of the City for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the Corporate Authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

P. CREI, is a duly formed and validly existing limited partnership under the laws of Illinois. The execution, delivery and performance of this Agreement by CREI has been duly and validly authorized by all necessary action on the part of CREI.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE ONE

INCORPORATION OF RECITALS

The findings, representations and agreements set forth in the above recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this Article One, and constitute findings, representations and agreements of the City and of CREI according to the tenor and import of the statements in such recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

“Agreement” means this Redevelopment Agreement, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

“Agreement Term” means the period beginning as of the effective date of the Redevelopment Plan and concluding within 23 years, or, if earlier, after all Reimbursable CREI’s Development Project Costs (described below) have been paid by the City to CREI.

“Approving Ordinance” means the ordinance(s) of the City to be adopted by the Corporate Authorities, from time to time, authorizing tax increment financing for the Redevelopment Project Area, and all related ordinances, resolutions and proceedings.

“Authorized City Representative” means the Mayor of the City, the City Administrator or designees or assigns.

“Business Day” means a day which is not a Saturday, Sunday or any other day on which banking institutions in New York, New York, or the city or cities in which the administrative offices or payment office of the Trustee is located, are required or authorized to close.

“Certificate of Substantial Completion” means a document substantially in the form of **Exhibit D** attached hereto and incorporated by reference herein, delivered by CREI to the City, in accordance with this Agreement in connection with and evidencing the substantial completion of CREI Improvements as identified on **Exhibit F** attached hereto.

“Certificate of Reimbursable CREI’s Development Project Costs” means a document, substantially in the form of **Exhibit E** attached hereto and incorporated by reference herein, provided by CREI to the City evidencing Reimbursable CREI’s Development Project Costs incurred by CREI with respect to CREI Improvements as identified on **Exhibit F** attached hereto, which CREI may submit to pay for Reimbursable CREI’s Development Project Costs associated with CREI Improvements.

“City” means the City of O’Fallon, St. Clair County, Illinois, an Illinois home rule municipality.

“City Attorney” means an attorney at law or firm of attorneys acceptable to the City and CREI and serving in such capacity at any time on behalf of the City, duly admitted to the practice of law before the highest court of the State of Illinois.

“City Council” means the City Council of the City of O’Fallon, Illinois.

“Commencement Date” means the first day of the month following the first month in which the City receives Incremental Property Taxes pursuant to the TIF Act and such other authority as shall be applicable or any successor statutory revenues that are attributable to CREI Improvements to be constructed within any portion of the Redevelopment Project Area pursuant to this Agreement.

“Concept Plan” means the plans for CREI’s Development Project, together with all supplements, amendments or corrections submitted by CREI and approved by the City in accordance with this Agreement, as set forth in **Exhibit C** hereto, as amended from time to time in accordance with this Agreement.

“Corporate Authorities” means the Mayor and the City Council.

“Governmental Approvals” means all plat approvals, re-zonings, text amendments or other zoning changes, site or development plan approvals, planned unit development approvals, conditional use permits, re-subdivisions or other subdivision approvals, variances, sign approvals, building permits, grading permits, occupancy permits or similar approvals, utility regulatory approvals, and other approvals pertaining to the roadway widenings and reconfigurations and intersection and other street improvements from the City, St. Clair County, the State of Illinois, the appropriate sewer and other utility authorities, the U.S. Army Corps of Engineers, the Illinois Department of Natural Resources, and other or similar approvals required for the implementation of CREI’s Development Project.

“CREI’s Development Project” means the development project for CREI’s Parcel described in the Concept Plan attached hereto as **Exhibit C**, and consistent with the Redevelopment Plan.

“CREI’s Development Project Costs” means the sum total of all reasonable or necessary costs actually incurred in performing CREI’s Development Project and any such costs incidental to CREI’s Development Project which are authorized for reimbursement under the TIF Act and the Redevelopment Plan. **Exhibit G** provides an itemized list of such costs, which are available for reimbursement under the TIF Act and are included in the Reimbursable Redevelopment Project Costs under the Redevelopment Plan.

“CREI Improvements” and “Work” mean all work necessary to prepare CREI’s Parcel and to construct the improvements for CREI’s Development Project as more fully described on **Exhibit F** hereto, the completion of which shall be evidenced as set forth in the Certificate of Substantial Completion, and all other work reasonably necessary to effectuate the intent of this Agreement.

“CREI’s Parcel” means a parcel of real property located within the Redevelopment Project Area (defined below) that is approximately 3.18 acres, more or less, located on Lot 23 and Lot 23B of the plat of Central Park Plaza 3rd Addition, 1st Amendment, in the City of O’Fallon, County of St. Clair and State of Illinois, and is depicted and more fully described in **Exhibit B**, upon which the CREI Improvements will be constructed by CREI.

“Incremental Property Taxes” means that portion of the ad valorem taxes, if any, arising from the taxes levied upon CREI’s Parcel by any and all taxing districts or municipal corporations having the power to tax real property in CREI’s Parcel, which taxes are attributable to the increases in the then

current equalized assessed valuation of CREI's Parcel over and above the Total Initial Equalized Assessed Valuation of each such piece of property, all as determined by the County Clerk of the County of St. Clair, Illinois, pursuant to and in accordance with the TIF Act, and includes any replacement, substitute or amended taxes.

"Intergovernmental Agreement" means collectively any agreements and/or settlements entered into by and between the City and any taxing districts, including but not limited to the Central Scholl District No. 104 and O'Fallon High School District No. 203, pursuant to which the City may agree to pledge any portion of the Incremental Property Taxes generated each year within the Redevelopment Project Area to such taxing districts.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof.

"Redevelopment Plan" means a plan entitled "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan – Central Park Redevelopment Area" dated January 23, 2012, approved by the Corporate Authorities on May 7, 2012 pursuant to Ordinance No. 3754, as such plan may be amended from time to time.

"Redevelopment Project Area" means a certain area of the City known as the City of O'Fallon, St. Clair County, Illinois Tax Increment Finance District, and includes CREI's Parcel upon which CREI's Development Project will be implemented and constructed. The area consists of approximately 145 acres and is more particularly described in **Exhibit A** attached hereto and incorporated by reference herein.

"Reimbursable CREI's Development Project Costs" means those CREI's Development Project Costs that are eligible for reimbursement to CREI from Incremental Property Taxes under the Redevelopment Plan and the TIF Act in accordance with this Agreement. Such costs shall include, but not be limited to, all site development and land improvements (exclusive of land acquisition and retail building costs) necessary to implement CREI's Development Project, including but not limited to grading and site preparation, mine remediation, construction and/or relocation of streets, roads, sidewalks, sanitary sewers, water mains, drainage and storm water control and detention facilities, legal, engineering and similar design costs provided in conjunction with constructing the eligible improvements.

"Related Party" means any party or entity related to CREI by one of the relationships described in Section 267(b) of the Internal Revenue Code of 1986, as amended.

"Special Tax Allocation Fund" means the Special Tax Allocation Fund created pursuant to the TIF Act and Ordinance No. 3755 adopted by the City Council on May 7, 2012, and includes a CREI's Subaccount and any other subaccounts into which the Incremental Property Taxes are from time to time deposited in accordance with the TIF Act, any Approving Ordinance, and this Agreement.

"State" means the State of Illinois.

"Substantial Completion" or **"Substantially Complete"** or **"Substantially Completed"** means the date on which CREI delivers the Certificate of Substantial Completion with respect to a phase of the CREI Improvements component of CREI's Development Project to the City.

"TIF Act" means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-74.4-1, *et seq.*, as amended.

“TIF Ordinance” means Ordinance No. 3753 adopted by the City Council on May 7, 2012, adopting tax increment financing for the Redevelopment Project Area, including CREI’s Parcel.

“Total Initial Equalized Assessed Valuation” means the total initial equalized assessed value of the taxable real property within CREI’s Parcel as determined by the County Clerk of the County of St. Clair, Illinois, for the calendar year 2013, in accordance with the provisions of Section 11-74.4-9 of the TIF Act.

ARTICLE THREE

CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) The word “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.
- (d) Headings of Articles and Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (e) All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.
- (f) Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
- (g) The Mayor, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. CREI is entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.
- (h) In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by CREI in a different manner, CREI hereby designates its Managing Member, Darrell G. Shelton, as its authorized representative who

shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of CREI and with the effect of binding CREI in that connection (such individual being an **“Authorized CREI Representative”**). CREI shall have the right to change its Authorized CREI Representative by providing the City with written notice of such change which notice shall be sent in accordance with **Section 8.6** of this Agreement.

ARTICLE FOUR

DEVELOPER DESIGNATION AND REDEVELOPMENT PLAN

Section 4.1. CREI Designation. The City hereby selects CREI to perform or cause to be performed the Work related to the CREI Improvements and to construct or cause to be constructed the CREI Improvements as provided in this Agreement.

Section 4.2. Redevelopment Plan. The City and CREI agrees to cooperate in implementing CREI's Development Project in accordance with the Redevelopment Plan and the parties' respective obligations set forth in this Agreement.

ARTICLE FIVE

CONSTRUCTION OF CREI'S DEVELOPMENT PROJECT

Section 5.1. Performance of the Work.

(a) CREI Improvements. CREI shall advance funds for and commence and complete each of its obligations (or cause the completion of its obligations by entering into agreements with third parties) under this Agreement with respect to the acquisition, construction and completion of the CREI Improvements in accordance with this Agreement on or before December 31, 2015.

(b) Construction Schedule. The performance of CREI set forth in this section is premised on CREI receiving timely approval by the City Council of all planning approvals required to accommodate the Concept Plan, including uses requested by CREI for CREI's Development Project and the timely review and issuance by the City of all Governmental Approvals within its control. Performance hereunder is also premised on the receipt by CREI, with a copy to the City, of an opinion of the City Attorney as to the validity and enforceability under Illinois law of this Agreement.

Section 5.2. Governmental Approvals; Extension of Time.

(a) Parties to Cooperate. The City agrees to cooperate with CREI and to expeditiously process and timely consider all applications for Governmental Approvals as received, all in accordance with the applicable City ordinances and laws of the State, and this Agreement. The parties specifically agree to use their best efforts to cooperate with each other to obtain all necessary permits and approvals by the Illinois Department of Transportation and other public entities necessary to carry out CREI's Development Project. The City agrees to cooperate with CREI in CREI's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the City and upon request of CREI, will promptly execute any applications or other documents (upon their approval by the

City) which CREI intends to file with such other governmental or quasi-governmental entities in connection with CREI's Development Project. The City shall further promptly respond to, or process, and consider reasonable requests of CREI for: applicable demolition permits, building permits; driveway permits; curb cut permits, or other permits necessary for the construction of CREI's Development Project.

(b) **Extension of Time.** Notwithstanding any provision of this Agreement to the contrary, CREI may, upon reasonable cause shown, request the Mayor or his designee to extend or waive times for performance. The Mayor or his designee may, but is not required to, consent to such extensions or waivers for a period not exceeding one year without further action by the Corporate Authorities. In the event that the Mayor or his designee extends or waives time for CREI's performance under **Section 5.1(a)** of this Agreement, the City's time for performance under **Section 5.1(b)** shall be extended to conform to CREI's extended time for performance.

Section 5.3. Concept Plan.

(a) **Approval of Concept Plan.** The Concept Plan, attached hereto as **Exhibit C** has been approved by the Corporate Authorities.

(b) **Changes.** CREI may make changes to the Concept Plan or any aspect thereof as site conditions or other issues of feasibility may dictate, as may be necessary or desirable to address the acquisition of additional real property to be included in CREI's Parcel or alterations in the description of the real property to be included in CREI's Parcel, or as may be necessary or desirable in the determination of CREI to enhance the economic viability of CREI's Development Project, in a manner consistent with applicable City ordinance. The Concept Plan shall also be deemed to be modified from time to time to reflect changes to the locations and configurations of the improvements which comprise CREI's Development Project to the extent such changes are initiated by CREI or are accepted by CREI in connection with the processing and approval of a concept plan, a site/improvement plan or other Governmental Approvals for CREI's Development Project.

Section 5.4. Construction of CREI Improvements.

(a) **Contracts/CREI to Control Construction.** CREI may enter into one or more construction contracts to complete the CREI Improvements. CREI shall have discretion and control, free from interference, interruption or disturbance, in all matters relating to the management, development, redevelopment, and construction of the CREI Improvements, provided that the same shall, in any event, conform to and comply with the terms and conditions of the Redevelopment Plan and this Agreement, and all applicable state and local laws, ordinances and regulations (including, without limitation, applicable zoning, subdivision, building and fire codes), subject to any variances and other Governmental Approvals.

(b) **Modification of Construction.** Subject to the provisions set forth in **Section 5.1(a)** regarding CREI Improvements, during the progress of CREI's Development Project, CREI may make such reasonable changes, including, without limitation, modification of the construction schedule, modification of the areas in which CREI's Development Project is to be performed or on which buildings or other improvements are to be situated, expansion or deletion of items, revisions to the locations and configurations of improvements, revisions to the areas and scope of CREI's Development Project, and any and all such other changes as site conditions or orderly development may dictate or as may be required to meet any reasonable requests of prospective tenants or purchasers of any portion of CREI's Parcel or as may be necessary or desirable, in the discretion of CREI, to enhance the economic viability of CREI's Development Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided, however, that CREI's Development Project as modified shall generally

conform to the development concept shown on the Concept Plan, and shall comply with applicable law and code, subject to any variances and other Governmental Approvals.

(c) **Modifications After Substantial Completion.** After Substantial Completion of the CREI Improvements, the remaining portion of CREI's Parcel may be regraded, reconfigured, redeveloped or otherwise modified, improvements within the remaining portion of CREI's Parcel may be reconfigured, expanded, contracted, remodeled, reconstructed, replaced, or otherwise modified, and new improvements may be added to the remaining portion of CREI's Parcel, and demolition may be undertaken in connection therewith, from time to time and in such manner as CREI (or its successor(s) in interest, as owner or owners of the affected portion(s) of CREI's Parcel) may determine, provided that any such modifications shall comply with applicable law and code, subject to any variances and other Governmental Approvals.

Section 5.5. Certificate of Substantial Completion.

(a) **CREI Improvements.** To establish the completion date of the CREI Improvements, CREI shall furnish to the City a Certificate of Substantial Completion upon completion of the CREI Improvements as described in **Exhibit F** attached hereto.

(b) **City Review.** The City shall, within thirty (30) days following delivery of the Certificate of Substantial Completion with respect to the CREI Improvements, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The certificates shall be deemed verified and the Certificate of Substantial Completion shall be deemed accepted by the City unless, prior to the end of such thirty (30)-day period after delivery to the City of the Certificate of Substantial Completion, the City furnishes CREI with specific written objections to the status of performance based on failure of the construction to be in accordance with Governmental Approvals issued by the City, describing such objections and the measures required to correct such objections in reasonable detail. CREI shall use reasonable efforts to cure such objections. The City shall have no basis to object to the Certificate of Substantial Completion with respect to any aspect of the construction that was previously inspected and approved.

(c) **Recording Certificates of Substantial Completion.** Upon acceptance of the Certificate of Substantial Completion of the CREI Improvements by the City or upon the lapse of thirty (30) days after delivery thereof to the City without any written objections by the City or request by the City for additional time for review, not to exceed an additional ten (10) days, CREI may record the Certificate of Substantial Completion with respect to each phase of the CREI Improvements with the St. Clair County Recorder, and the same shall constitute evidence of the satisfaction of CREI's agreements and covenants to perform the Work with respect to such phase (as applicable) of the CREI Improvements pursuant to this Agreement.

ARTICLE SIX

REIMBURSEMENT OF DEVELOPMENT COSTS

Section 6.1. Pledge of Incremental Property Taxes. In consideration of CREI's undertaking of CREI's Development Project and construction of the CREI Improvements, including the incurring of Reimbursable Redevelopment Project Costs under the Redevelopment Plan, the City hereby pledges and agrees to apply the Incremental Property Taxes generated from CREI's Parcel and deposited into the Special Tax Allocation Fund in accordance with this Agreement to pay Reimbursable CREI's

Development Project Costs incurred by CREI. Except for a total of up to fifty percent (50%) of Incremental Property Taxes to be designated as "surplus funds" and/or distributed pursuant to the Intergovernmental Agreement, the City agrees that during the Agreement Term, the City shall not further encumber or pledge any portion of the Incremental Property Taxes generated from CREI's Parcel to any other project or obligation or take any action inconsistent with the terms and intent of this Agreement.

Section 6.2. Reimbursable CREI's Development Project Costs. Upon completion of CREI's Development Project, CREI may deliver to the City a Certificate of Reimbursable CREI's Development Project Costs in substantially the same form as **Exhibit E** attached hereto for all Reimbursable CREI's Development Project Costs incurred. CREI shall, at the City's request, provide itemized invoices, receipts or other information, if any, requested by the City to confirm that any such costs are so incurred and do so qualify. CREI shall also certify that such costs are eligible for reimbursement under the TIF Act. The City shall promptly approve or disapprove such Certificate, but in any event no later than thirty (30) days of the submittal thereof. If the City disapproves of the Certificate, it shall state in writing the reasons therefor, identifying the ineligible costs and the basis for determining the costs to be ineligible, whereupon CREI shall have the right to identify and substitute other CREI's Development Project Costs as Reimbursable CREI's Development Project Costs with a supplemental application for payment. If the City fails to approve or disapprove the Certificate within thirty (30) days of the submittal thereof, the Certificate shall be deemed approved.

Upon approving the Certificate, or the Certificate being deemed approved, the City shall issue CREI a non-recourse note ("CREI TIF Note") which identifies the total amount City will pay CREI for Reimbursable CREI's Development Project Costs. As funds become available in the Special Tax Allocation Fund, the City will remit payment to CREI within thirty (30) days from the time those funds first become available for distribution.

Section 6.3. Reimbursement from Incremental Property Taxes Limited to Reimbursable CREI's Development Project Costs. The parties agree that each of the categories of costs set forth in the Redevelopment Plan constitute Reimbursable CREI's Development Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. Subject to the provisions of the TIF Act, CREI shall be entitled to reimbursement for CREI's Development Project Costs from any of the categories set forth therein and as agreed to within this Redevelopment Agreement.

Section 6.4. Annual Accounting and Adjustments. After the close of each calendar year during the Agreement Term (in any event not later than February 15th of the February immediately following the close of the calendar year) the City shall cause its Treasurer or other financial officer charged with responsibility for the Special Tax Allocation Fund to provide to CREI an accounting of the receipts and expenditures from the Special Tax Allocation Fund at the close of the calendar year.

ARTICLE SEVEN

SPECIAL TAX ALLOCATION FUND; COLLECTION AND USE OF INCREMENTAL PROPERTY TAXES

Section 7.1. Certificate of Total Initial Equalized Assessed Value. The City will provide to CREI, simultaneous with the execution of this Agreement, a true, correct and complete copy of the calculation by the County Clerk of The County of St. Clair, Illinois, of the Total Initial Equalized Assessed Value of all taxable property within the Redevelopment Project Area, determined pursuant to the TIF Act, which calculation shall include a separate calculation of the Total Initial Equalized Assessed Value of CREI's Parcel upon which the CREI Improvements are to be constructed.

Section 7.2 Special Tax Allocation Fund.

(a) Establishment of the Special Tax Allocation Fund and Other Funds and Accounts. The City hereby agrees to cause its Treasurer to establish and maintain funds in a City of O'Fallon, Illinois Special Tax Allocation Fund ("Special Tax Allocation Fund") as well as a CREI's Subaccount and any other accounts or subaccounts as required by the TIF Ordinance and this Agreement.

The Special Tax Allocation Fund shall be maintained by the City as a separate and distinct trust and the moneys therein shall be held, managed, invested, disbursed, and administered by the City. Except for the amounts of Incremental Property Taxes to be distributed pursuant to any Intergovernmental Agreement and/or applied by the City in accordance with the Redevelopment Plan, all moneys deposited in the Special Tax Allocation Fund shall be used solely for the purposes set forth in the applicable Approving Ordinance and as provided herein. The City's Treasurer shall keep and maintain adequate records pertaining to the Special Allocation Fund and any accounts required by the TIF Ordinance and all disbursements therefrom.

(b) Deposits into the Special Tax Allocation Fund. All TIF Revenues generated from CREI's Parcel and any taxes, fees, or assessments subsequently enacted and imposed in substitution therefor and allocable to such accounts to the extent authorized by law shall be deposited into the Special Tax Allocation Fund as soon as they become available; provided, however, that CREI's Reimbursable Development Project Costs are limited to fifty percent (50%) of the TIF Revenues generated from the CREI Parcel. The City agrees to apply any and all interest earnings from moneys on deposit in the Special Tax Allocation Fund to be applied as provided in **Section 7.3** of this Agreement.

Except for the amounts of the Incremental Property Taxes to be distributed pursuant to any Intergovernmental Agreement (which shall not exceed fifty percent [50%] of the Incremental Property Taxes) and/or applied by the City in accordance with the Redevelopment Plan, the City agrees that during the Agreement Term, the City shall not further encumber or pledge, on a superior or parity lien basis, any portion of the Incremental Property Taxes to be deposited in or on deposit in and to the credit of the Special Tax Allocation Fund or take any action inconsistent with the terms and intent of this Agreement.

Section 7.3. Application of Incremental Property Taxes. The City hereby agrees to apply fifty percent (50%) of all Incremental Property Taxes generated from the CREI Parcel as provided in this Agreement as follows:

(a) first, transfer to CREI an amount sufficient to pay the outstanding amount due to CREI for all Reimbursable CREI's Development Project Costs and CREI Improvements, up to but not to exceed CREI's Development Project Costs identified in Exhibit G; and

(b) second, transfer any remaining amount to the City for application in accordance with this Agreement.

Section 7.4. Cooperation in Determining Incremental Property Taxes. The City and CREI (or its successors in interest as owner or owners of any portion of CREI's Parcel) agree to cooperate and take all reasonable actions necessary to cause the Incremental Property Taxes to be paid into the fund and accounts pursuant to this Agreement, including the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement.

ARTICLE EIGHT

GENERAL PROVISIONS

Section 8.1. Successors and Assigns.

(a) **Agreement Binding on Successors.** This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns.

(b) **Assignment.** Until Substantial Completion of the CREI Improvements, the rights, duties and obligations of CREI under this Agreement may not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed and shall be given upon a reasonable demonstration by CREI of the proposed assignee's experience and financial capability to undertake and complete such portions of the Work or any component thereof proposed to be assigned, all in accordance with this Agreement; provided, however, nothing herein shall prevent CREI from entering into retail leases with respect to the retail center to be constructed on the CREI Parcel allowing such retail tenants to perform tenant improvement work prior to Substantial Completion of the CREI Improvements. All or any part of CREI's Parcel or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time following Substantial Completion of the CREI Improvements, and the rights of CREI named herein or any successors in interest under this Agreement or any part hereof may be assigned. Upon CREI's transfer or conveyance of any part of or interest in CREI's Parcel or assignment of any interest under this Agreement, as authorized by and pursuant to the provisions of this subparagraph, CREI shall be released from further obligation under this Agreement with respect to such Redevelopment Project Area interest conveyed or rights assigned and such Redevelopment Project Area interest conveyed shall be released from further obligation under this Agreement.

(c) **City Consent to Assignment.** Notwithstanding any provision herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with, (a) the right of CREI to encumber or collaterally assign its interest in CREI's Parcel or any portion thereof to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of CREI's Development Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of CREI to assign CREI's rights, duties and obligations under this Agreement to a Related Party or among entities comprising CREI. Notwithstanding any provision hereof to the contrary, the City hereby approves, and no prior consent shall be required in connection with CREI's sale or lease of individual portions of CREI's Parcel or subdivided lots in the course of the development of CREI's Development Project and any Redevelopment Project Area interest conveyed shall be released from further obligation under this Agreement.

Section 8.2. Remedies. Except as otherwise provided in this Agreement and subject to CREI's and the City's respective rights of termination hereof as set forth in **Sections 10.2 and 10.3**, in the event of any default in or breach of any term or condition of this Agreement by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party (or successor), proceed immediately to cure or remedy such default or breach, and, shall, in any event, within sixty (60) days after receipt of notice, commence to cure or remedy such default. If such cure or remedy is not taken or not diligently pursued, or the default or breach is not cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, provided that such legal proceedings shall only

affect property as to which such default or breach exists and shall not affect any other rights established in connection with this Agreement or any other property in CREI's Parcel which has been or is being developed or used in accordance with the provisions of this Agreement.

Section 8.3. Force Majeure and Other Extensions of Time for Performance.

(a) **Force Majeure.** Neither the City nor CREI nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended, in the event of any delay in CREI's construction of any phase of CREI's Development Project caused by force majeure, including, without limitation, for purposes of this Agreement, legal proceedings which restrict or impair the orderly development of any phase of CREI's Development Project (including, but not limited to, condemnation or eminent domain proceedings), orders of any kind of any court or governmental body which restrict or impair the orderly development of any phase of CREI's Development Project, strikes, lockouts, labor disputes, labor shortages, riots, acts of God, epidemics, landslides, lightning, earthquake, fire or other casualties, breakage, explosions, storms, washouts, droughts, tornadoes, cyclones, floods, adverse weather conditions, unusually wet soil conditions, mine subsidence, war, invasion or acts of a public enemy, serious accidents, arrests, failure of utilities, governmental restrictions or priorities, failure to timely process or issue any permits and/or legal authorization by necessary governmental entity, including Governmental Approvals, failure of utilities to timely extend service to the site, shortage or delay in shipment of material or fuel, any actual or threatened litigation relating to the validity of this Agreement, the designation of CREI's Parcel, the Redevelopment Plan, CREI's Development Project, the adoption of tax increment financing under the TIF Act within CREI's Parcel, the City's use and pledge of the Incremental Property Taxes pursuant to this Agreement, or any of the ordinances approving the same, or other causes beyond the responsible party's reasonable control. The party claiming any extension caused by force majeure shall have the burden of proof in establishing such cause.

(b) **Extension of Time for Performance.** In addition to the foregoing, periods provided herein for commencement or Substantial Completion of any phase of the CREI Improvements shall be automatically extended for periods of delay in obtaining required planning approvals with respect to CREI's Parcel or Governmental Approvals, and may also be extended, for reasonable cause, from time to time, upon application of CREI to the City Council and upon finding by the City Council that the requested delay is reasonably justified, does not materially affect the ultimate completion of the phase of the CREI Improvements.

Section 8.4. Actions Contesting the Validity and Enforceability of the Development Plan, the Agreement and Related Matters. If a third party brings an action against the City or the City's officials, agents, employees or representatives contesting the validity or legality of CREI's Parcel, any portion thereof, this Agreement, the designation of CREI's Parcel, the Redevelopment Plan, CREI's Development Project, the adoption of tax increment financing under the TIF Act within CREI's Parcel, the City's use and pledge of the Incremental Property Taxes pursuant to this Agreement, or any of the ordinances approving the same, the City shall promptly, and in any event prior to filing any responsive pleadings, notify CREI in writing of such claim or action. CREI may, at its option, assume the defense of such claim or action (including, without limitation, to settle or compromise any claim or action for which CREI has assumed the defense and as to which CREI will pay the costs and amounts of any such settlement or compromise) with counsel of CREI's choosing, and the parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent the City and CREI in any such proceeding. Subject to the provisions of the TIF Act and this Agreement, all costs incurred by CREI and the City, as authorized by the Redevelopment Plan and this Redevelopment Agreement, shall be deemed to be Reimbursable CREI's Development Project Costs and reimbursable from moneys in the Special Tax Allocation Fund, subject to **Article VI and Article VII**

hereof. In the event CREI does not elect to assume the defense of such claim or action, the City shall undertake such defense, shall copy CREI and its counsel on all correspondence relating to any such action, shall consult with CREI and its counsel throughout the course of any such action, and shall not settle or compromise any claim or action without CREI's prior written consent.

Section 8.5. Insurance. Prior to the commencement of construction of any buildings that are part of CREI Improvements, CREI shall obtain or shall ensure that CREI obtains workers' compensation and comprehensive general liability insurance coverage in amounts customary in the industry for similar type projects; provided, the City shall not be named as an "additional insured" with respect to any insurance policies and shall not have any rights or claims under any such insurance policies.

Section 8.6. Notice. Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States first class mail, postage prepaid, or delivered personally, or if deposited with a nationally recognized overnight courier service prepaid and specifying the overnight delivery and addressed to the party at its address as provided herein:

If to City:	City Clerk City of O'Fallon 255 South Lincoln O'Fallon, Illinois 62269
And:	Dale M. Funk City Attorney 807 West Highway 50, Suite 1 O'Fallon, Illinois 62269
If to CREI:	Commercial Real Estate Investors, LP 1331 Park Plaza Dr., Ste. 4 O'Fallon, IL 62269
And:	Lynn T. Goessling Herzog Crebs LLP 100 N. Broadway, 14 th Floor St. Louis, MO 63102

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

Section 8.7. Conflict of Interest. No member of the Corporate Authorities, the Joint Review Board, or any branch of the City's government who has any power of review or approval of any of CREI's undertakings, or of the City's contracting for goods or services for CREI's Parcel, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. As provided in the TIF Act, any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the City Council the nature of such interest and seek a determination by the City Council with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

Section 8.8. Choice of Law. This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by the laws of the State of Illinois for all purposes and intents.

Section 8.9. Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized representatives of both parties.

Section 8.10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

Section 8.11. Severability. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

Section 8.12. Representatives Not Personally Liable. No official, agent, employee, City Attorney, or representative of the City (the "City Representatives") shall be personally liable to CREI, and no shareholder, director, officer, agent, employee, consultant or representative of CREI shall be personally liable to the City or the City Representatives in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party under the terms of this Agreement.

Section 8.13. Recordation of Agreement. The parties agree to record a memorandum of this Agreement with the St. Clair County Recorder of Deeds. The City shall pay the recording fees for same.

Section 8.14. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other person other than the City and CREI, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the City or CREI, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or CREI. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 8.15. No Joint Venture, Agency or Partnership. Nothing in this Agreement, or any actions of the parties to this Agreement, shall be construed by the parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

Section 8.16. Repealer. To the extent that any ordinance, resolution, rule, order or provision of the City's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

ARTICLE NINE

RELEASE AND INDEMNIFICATION

Section 9.1. City. The City and its governing body members, officers, agents and employees and the City Attorney shall not be liable to CREI for damages or otherwise in the event that all or any part of the TIF Act, the Redevelopment Plan, CREI's Development Project or this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or

have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or CREI is prevented from enjoying the rights and privileges herein; provided that nothing in this paragraph shall limit: (i) Claims by CREI to Incremental Property Taxes pledged to payment of Reimbursable CREI's Development Project Costs pursuant to this Agreement, or (ii) Actions by CREI seeking specific performance of this Agreement, other relevant contracts, or of zoning or planning approvals or Governmental Approvals issued by the City.

All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, servants or employees in their individual capacities. No elected or appointed official, employee or representative of the City shall be personally liable to CREI in the event of a default or breach by any party under this Agreement.

The City releases from, and covenants and agrees that CREI, its members, officers, agents, and employees shall not be liable for any and all claims, suits, damages, expenses or liabilities arising out of (1) the acquisition of the portion of CREI's Parcel owned by CREI, (2) the operation of all or any part of CREI's Parcel, or the condition of CREI's Parcel, including, without limitation, any environmental cost or liability, (3) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of the City or its agents in connection with or relating to CREI's Development Project or CREI's Parcel, except for matters arising out of the negligence or malfeasance, misfeasance or nonfeasance of CREI or any official, agent, employee, consultant, contractor or representative of CREI.

Section 9.2. CREI. CREI releases from, and covenants and agrees that the City and its governing body members, officers, agents, and employees and the City Attorney shall not be liable for any and all claims, suits, damages, expenses or liabilities arising out of (1) the acquisition of the portion of CREI's Parcel owned by CREI, (2) the operation of all or any part of CREI's Parcel, or the condition of CREI's Parcel, including, without limitation, any environmental cost or liability, (3) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of CREI or its agents in connection with or relating to CREI's Development Project or CREI's Parcel, and (4) any loss or damage to CREI's Parcel or any injury to or death of any person occurring at or about or resulting from any defect in the performance of the CREI Improvements, except for matters arising out of the negligence or malfeasance, misfeasance or nonfeasance of the City or any official, agent, employee, consultant, contractor or representative of the City.

ARTICLE TEN

TERM

Section 10.1. Term of Agreement. This Agreement, and all of the rights and obligations of the parties hereunder, shall terminate on expiration of the Agreement Term; provided that this Agreement may terminate sooner upon the earlier of the delivery of a written notice by CREI or the City (and recordation of a copy of such notice with the St. Clair County Recorder) that this Agreement has been terminated pursuant to **Section 10.2, 10.3 or 10.4** hereof.

Section 10.2. CREI's Right of Termination. CREI has the right to terminate this Agreement at any time upon not less than sixty (60) days written notice to the City.

Section 10.3. City's Right of Termination. The City may only terminate this Agreement if CREI fails to satisfy the provisions of **Section 5.1(a)** within the times specified therein and on such termination all rights and obligations of CREI and the City hereunder shall terminate.

Section 10.4. Cancellation. In the event CREI or the City shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including CREI's duty to construct CREI Improvements, by the order of any court of competent jurisdiction, or in the event that all or any part of the TIF Act or any ordinance or resolution adopted by the City in connection with CREI's Development Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Redevelopment Plan or the covenants and agreements or rights and privileges of CREI or the City, then and in any such event, the party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of CREI's Development Project materially affected) by giving written notice thereof to the other within thirty (30) days after such final decision or amendment. If the City terminates this Agreement pursuant to this **Section 10.4**, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to CREI for buildings permitted and under construction to the extent permitted by said court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded, properly executed document.

Section 10.5. Obligations Remain Outstanding. On termination of this Agreement pursuant to **Sections 10.2, 10.3 or 10.4**, all outstanding obligations of the City to reimburse CREI from Incremental Property Taxes, and its outstanding CREI TIF Note, as the case may be, shall remain outstanding. If CREI has submitted to the City, within 60 days after the termination of this Agreement pursuant to this section, a Certificate of Reimbursable CREI's Development Project Costs, but the City has not yet approved such certificate, the City shall review and process such certificates in accordance with **Section 5.5** hereof.

ARTICLE ELEVEN

REPRESENTATIONS OF THE PARTIES

Section 11.1. Representations of the City. The City hereby represents and warrants that (a) the City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver this Agreement and to perform all terms and obligations of this Agreement, and (b) this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

Section 11.2. Representations of CREI. CREI hereby represents and warrants that (a) CREI has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings, (b) this Agreement constitutes the legal, valid and binding obligation of CREI, enforceable in accordance with its terms.

ARTICLE TWELVE

EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is approved by the City, with said date being inserted on page 1 hereof.

IN WITNESS WHEREOF, the City and CREI have caused this Agreement to be executed in their respective names and caused their respective seals to be affixed thereto, and attested as to the date first above written.

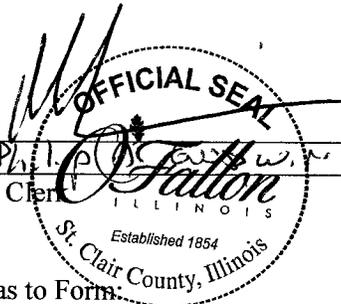
(SEAL)

CITY OF O'FALLON, ILLINOIS

By: Gary J. Graham
Name: Gary J. Graham
Title: Mayor

Attest:

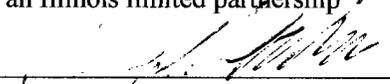
By: [Signature]
Name: Phil P. [Signature]
Title: City Clerk



Approved as to Form:

By: [Signature]
Name: DALE M FUNK
Title: City Attorney

COMMERCIAL REAL ESTATE INVESTORS,
LP, an Illinois limited partnership

By: 

Name: Darrell Shelton

Title: General Partner - CPI

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On this 9th day of December, 2014, before me appeared Gary L. Graham, who being, by me duly sworn, did say that he is the Mayor, City of O'Fallon, Illinois, a home rule unit of government of the State of Illinois, and did say that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City, by authority of the City Council of the City; and said Mayor acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Maryanne Fair
Notary Public

My term expires:

10-19-2017



STATE OF Illinois)
)
COUNTY OF ST. CLAIR)

On this 5th day of December, 2014, before me appeared Darrell Shelton to me personally known, who being, by me duly sworn, did say that he is the President/General Partner of CRPE of Commercial Real Estate Investors, LP, a limited partnership in the state of Illinois, and that the foregoing instrument was signed on behalf of said limited partnership, and he further acknowledged said instrument to be the free act and deed of said limited partnership.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

[Signature]
Notary Public

My Commission expires:

5/9/2017



EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT PROJECT AREA

EXHIBIT A

A TRACT OF LAND BEING A PART OF LOT 22D OF CENTRAL PARK PLAZA 2ND ADDITION, 2ND AMENDMENT AS RECORDED IN DOCUMENT A02005516, ALL OF LOTS 22B AND 22C OF CENTRAL PARK PLAZA 2ND ADDITION, 1ST AMENDMENT AS RECORDED IN PLAT BOOK 104 PAGE 61, DOCUMENT A0854886, ALL OF LOT 24 OF MINOR SUBDIVISION OF LOT 34 OF CENTRAL PARK PLAZA 3RD ADDITION AS RECORDED IN PLAT BOOK 103 PAGE 59, DOCUMENT A01807519, ALL OF ONE LOT 1 OF CENTRAL PARK PLAZA 2ND ADDITION AS RECORDED IN PLAT BOOKS 95 PAGE 5, DOCUMENT A03370449, ALL OF LOTS 26, 28 AND 30 OF CENTRAL PARK PLAZA 1ST ADDITION AS RECORDED IN PLAT BOOK 97 PAGE 75, DOCUMENT A01504041, ALL OF ONE LOT 2 OF CENTRAL PARK PLAZA 3RD ADDITION AS RECORDED IN PLAT BOOK 97 PAGE 38, DOCUMENT A01478105, ALL OF LOT 1 OF THE RESUBDIVISION OF LOT 2 OF PARKWAY LAKESIDE APARTMENT HOMES AS RECORDED IN DOCUMENT A02227637, ALL OF LOT 1 OF PARKWAY LAKESIDE APARTMENT HOMES AS RECORDED IN DOCUMENT A02206495, SAID TRACT BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 25 AND THE NORTHWEST, NORTHEAST AND SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF DEALTON, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 30 OF CENTRAL PARK PLAZA 1ST ADDITION, THENCE ALONG THE WEST LINE OF NORTH GREENMOUNT ROAD, SOUTH 02 DEGREES 46 MINUTES 45 SECONDS EAST FOR A DISTANCE OF 285.46 FEET, THENCE LEAVING SAID WEST LINE, SOUTH 89 DEGREES 49 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 341.18 FEET, THENCE SOUTH 00 DEGREES 23 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 374.09 FEET TO THE NORTH LINE OF FRANK SCOTT PARKWAY, THENCE NORTH 84 DEGREES 16 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 136.57 FEET, THENCE NORTH 89 DEGREES 59 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 328.40 FEET, THENCE SOUTH 86 DEGREES 00 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 164.27 FEET, THENCE NORTH 85 DEGREES 45 MINUTES 32 SECONDS WEST FOR A DISTANCE OF 256.68 FEET, THENCE LEAVING SAID NORTH LINE OF FRANK SCOTT PARKWAY, NORTH 14 DEGREES 47 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 887.4 FEET, THENCE NORTH 51 DEGREES 11 MINUTES 37 SECONDS WEST ALONG THE SOUTHWESTERLY LINE OF SAID LOT 26 OF CENTRAL PARK PLAZA 3RD ADDITION FOR A DISTANCE OF 790.74 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 1 OF THE RESUBDIVISION OF LOT 2 OF PARKWAY LAKESIDE APARTMENT HOMES, THENCE LEAVING SAID SOUTHWESTERLY LINE, SOUTH 39 DEGREES 41 MINUTES 56 SECONDS WEST FOR A DISTANCE OF 125.41 FEET, THENCE NORTH 34 DEGREES 31 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 461.74 FEET, THENCE

NORTH 70 DEGREES 47 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 166.69 FEET; THENCE NORTH 89 DEGREES 57 MINUTES 31 SECONDS WEST FOR A DISTANCE OF 365.62 FEET; THENCE SOUTH 22 DEGREES 52 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 35.93 FEET; THENCE SOUTH 07 DEGREES 29 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 45.01 FEET; THENCE SOUTH 30 DEGREES 53 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 180.71 FEET; THENCE SOUTH 36 DEGREES 52 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 33.94 FEET; THENCE SOUTH 38 DEGREES 27 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 222.44 FEET; THENCE SOUTH 02 DEGREES 24 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 207.79 FEET; THENCE SOUTH 45 DEGREES 46 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 25.71 FEET; THENCE SOUTH 07 DEGREES 32 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 360.20 FEET; THENCE SOUTH 12 DEGREES 23 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 7.06 FEET; THENCE SOUTH 49 DEGREES 34 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 22.19 FEET; THENCE SOUTH 20 DEGREES 58 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 6.85 FEET TO THE NORTH LINE OF SAID LOT 1 OF PARKWAY TAKESIDE APARTMENT HOMES; THENCE SOUTH 89 DEGREES 58 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 563.81 FEET; THENCE SOUTH 03 DEGREES 54 MINUTES 16 SECONDS EAST FOR A DISTANCE OF 47.80 FEET; THENCE SOUTH 01 DEGREES 23 MINUTES 11 SECONDS WEST FOR A DISTANCE OF 298.65 FEET TO THE NORTH LINE OF SAID FRANK SCOTT PARKWAY; THENCE NORTH 88 DEGREES 36 MINUTES 49 SECONDS WEST FOR A DISTANCE OF 119.42 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 291.04 FEET; THENCE NORTH 80 DEGREES 50 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 120.20 FEET; THENCE NORTH 85 DEGREES 29 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 179.99 FEET; THENCE LEAVING SAID NORTH LINE OF FRANK SCOTT PARKWAY, NORTH 00 DEGREES 07 MINUTES 29 SECONDS EAST FOR A DISTANCE OF 2127.64 FEET TO THE WESTERLY LINE OF SAID LOT 24 OF THE MINOR SUBDIVISION PLAT OF LOT 24 OF CENTRAL PARK PLAZA 3RD ADDITION; THENCE LEAVING SAID WESTERLY LINE, NORTH 35 DEGREES 51 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 497.59 FEET; THENCE SOUTH 89 DEGREES 28 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 107.57 FEET TO SAID WESTERLY LINE OF SAID LOT 24; THENCE NORTH 30 DEGREES 18 MINUTES 35 SECONDS WEST ALONG SAID WESTERLY LINE FOR A DISTANCE OF 340.97 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1 OF CENTRAL PARK PLAZA 2ND ADDITION; THENCE SOUTH 87 DEGREES 57 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 125.00 FEET; THENCE NORTH 02 DEGREES 07 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 100.00 FEET; THENCE NORTH 46 DEGREES 35 MINUTES 36 SECONDS WEST FOR A DISTANCE OF 50.21 FEET; THENCE NORTH 00 DEGREES 06 MINUTES 23 SECONDS EAST FOR A DISTANCE OF 1165.24 FEET TO THE SOUTHEAST CORNER OF DE COLE CENTER INCORPORATED AS RECORDED IN DEED BOOK 2815 PAGE 2277; THENCE NORTH 89 DEGREES 42 MINUTES 27

SECONDS WEST FOR A DISTANCE OF 1340.97 FEET; THENCE SOUTH 00 DEGREES 31 MINUTES 29 SECONDS EAST FOR A DISTANCE OF 138.43 FEET; THENCE NORTH 89 DEGREES 42 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 400.04 FEET TO THE SOUTHWEST CORNER OF SAID DP GOLF CENTER INCORPORATED; THENCE NORTH 00 DEGREES 31 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 700.07 FEET TO THE NORTHWEST CORNER OF SAID DP GOLF CENTER INCORPORATED; THENCE SOUTH 89 DEGREES 42 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 1644.65 FEET TO THE NORTHEAST CORNER OF SAID DP GOLF CENTER INCORPORATED; THENCE SOUTH 00 DEGREES 06 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 275.84 FEET TO THE NORTHWEST CORNER OF SAID LOT 22 D OF CENTRAL PARK 2nd ADDITION, 2nd AMENDMENT; THENCE SOUTH 89 DEGREES 26 MINUTES 44 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 22 D FOR A DISTANCE OF 403.88 FEET TO THE WEST LINE OF CENTRAL PARK (60.00 FEET WIDE DRIVE); THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1030.00 FEET, AN ARC LENGTH OF 160.85 FEET AND A CHORD BEARING OF SOUTH 13 DEGREES 56 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 160.69 FEET TO THE SOUTHEAST CORNER OF SAID LOT 22 D, ALSO BEING THE NORTHEAST CORNER OF SAID LOT 22 B OF CENTRAL PARK PLAZA 2nd ADDITION, 1st AMENDMENT; THENCE SOUTHEASTERLY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1030.00 FEET, AN ARC LENGTH OF 213.94 FEET; THENCE SOUTH 30 DEGREES 18 MINUTES 13 SECONDS EAST FOR A DISTANCE OF 1036.68 FEET TO THE SOUTHEAST CORNER OF SAID LOT 22 C OF CENTRAL PARK PLAZA 2nd ADDITION, 1st AMENDMENT, ALSO BEING THE NORTHEAST CORNER OF SAID LOT 24 OF MINOR SUBDIVISION OF LOT 24 OF CENTRAL PARK PLAZA 3rd ADDITION; THENCE SOUTH 30 DEGREES 18 MINUTES 33 SECONDS EAST FOR A DISTANCE OF 1508.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 24; THENCE LEAVING SAID CENTRAL PARK DRIVE, SOUTH 59 DEGREES 41 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 822.22 FEET; THENCE SOUTH 52 DEGREES 51 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 662.98 FEET; THENCE SOUTH 89 DEGREES 52 MINUTES 31 SECONDS EAST FOR A DISTANCE OF 55.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 26 OF CENTRAL PARK PLAZA 4th ADDITION; THENCE NORTH 36 DEGREES 32 MINUTES 58 SECONDS EAST FOR A DISTANCE OF 820.00 FEET TO THE SOUTHWESTERLY LINE OF SAID CENTRAL PARK DRIVE; THENCE SOUTH 43 DEGREES 27 MINUTES 02 SECONDS EAST FOR A DISTANCE OF 400.00 FEET; THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 3244.00 FEET, AN ARC LENGTH OF 547.44 FEET AND A CHORD BEARING OF SOUTH 38 DEGREES 56 MINUTES 57 SECONDS EAST FOR A DISTANCE OF 546.79 FEET; THENCE SOUTH 35 DEGREES 46 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 467.83 FEET; THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, AN ARC LENGTH OF 204.03 FEET AND A CHORD BEARING OF SOUTH 47 DEGREES 27

MINUTES 28 SECONDS EAST FOR A DISTANCE OF 202.12 FEET; THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, AN ARC LENGTH OF 139.75 FEET AND A CHORD BEARING OF SOUTH 67 DEGREES 30 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 149.13 FEET; THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, AN ARC LENGTH OF 78.03 FEET AND A CHORD BEARING OF SOUTH 82 DEGREES 01 MINUTES 28 SECONDS EAST FOR A DISTANCE OF 77.97 FEET; THENCE SOUTH 89 DEGREES 56 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 148.76 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AN AREA OF 128.00 ACRES MORE OR LESS.

1213 C1F-2

A TRACT OF LAND BEING ALL OF LOTS 23A AND 23B OF CENTRAL PARK PLAZA 3RD ADDITION, 1ST AMENDMENT AS RECORDED IN PLAT BOOK 104 PAGE 66, DOCUMENT A01856670, A SUBDIVISION BEING A PART OF THE NORTHWEST, NORTHEAST AND SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 23A, LOCATED ON THE NORTHEASTERLY LINE OF CENTRAL PARK (60.00 FEET WIDE) DRIVE; THENCE NORTH 59 DEGREES 41 MINUTES 27 SECONDS EAST ALONG THE NORTHWESTERLY LINES OF SAID LOT 23A AND 23B FOR A DISTANCE OF 472.95 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 23B; THENCE SOUTH 37 DEGREES 52 MINUTES 33 SECONDS EAST ALONG SAID NORTHEASTERLY LINE FOR A DISTANCE OF 259.74 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE, SOUTH 57 DEGREES 37 MINUTES 48 SECONDS WEST FOR A DISTANCE OF 168.82 FEET; THENCE SOUTH 28 DEGREES 23 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 79.17 FEET TO THE NORTHWESTERLY LINE OF CENTRAL PARK (50.00 FEET WIDE) CIRCLE; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 90.00 FEET, FOR AN ARC LENGTH OF 76.51 FEET TO THE COMMON CORNER OF SAID LOT 23A AND 23B; THENCE SOUTH 59 DEGREES 41 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 197.91 FEET; THENCE NORTH 75 DEGREES 18 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 16.97 FEET TO THE NORTHEASTERLY LINE OF SAID CENTRAL PARK DRIVE; THENCE NORTH 30 DEGREES 18 MINUTES 33 SECONDS WEST ALONG SAID NORTHEASTERLY LINE FOR A DISTANCE OF 279.38 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AN AREA OF 5.18 ACRES.

1213 THE-3

A TRACT OF LAND BEING ALL OF LOT 23D OF CENTRAL PARK PLAZA 3RD ADDITION, 1ST AMENDMENT AS RECORDED IN PLAT BOOK 104 PAGE 66, DOCUMENT A01856676, A SUBDIVISION BEING A PART OF THE NORTHWEST, NORTHEAST AND SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF O'FALLON, SHELBY COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF CENTRAL PARK (50.00 FEET WIDE) CURVE WITH THE NORTHEASTERLY LINE OF CENTRAL PARK (60.00 FEET WIDE) DRIVE; THENCE ALONG SAID CENTRAL PARK CURVE THE FOLLOWING COURSES, NORTH 14 DEGREES 41 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 16.97 FEET, THENCE NORTH 59 DEGREES 41 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 197.91 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 40.00 FEET, FOR AN ARC LENGTH DISTANCE OF 57.84 FEET; THENCE SOUTH 57 DEGREES 27 MINUTES 12 SECONDS EAST FOR A DISTANCE OF 138.07 FEET, THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 40.00, FOR AN ARC LENGTH DISTANCE OF 63.54 FEET; THENCE SOUTH 53 DEGREES 33 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 214.09 FEET; THENCE NORTH 80 DEGREES 37 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 16.72 FEET TO THE SAID NORTHEASTERLY LINE OF CENTRAL PARK DRIVE; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1970.00, FOR AN ARC LENGTH OF 148.69 FEET, THENCE NORTH 30 DEGREES 18 MINUTES 33 SECONDS WEST FOR A DISTANCE OF 68.46 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AN AREA OF 1.33 ACRES.

1213 HF-1

A TRACT OF LAND BEING A PART OF LOTS 25C AND 25D OF CENTRAL PARK PLAZA 3RD ADDITION, 1ST AMENDMENT AS RECORDED IN PLAT BOOK 104 PAGE 9, DOCUMENT A01830816, A SUBDIVISION BEING A PART OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF OFFALON, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWESTERLY CORNER OF SAID LOT 25C LOCATED ON THE NORTHEASTERLY LINE OF CENTRAL PARK (60.00 FEET WIDE) DRIVE; THENCE NORTH 46 DEGREES 29 MINUTES 08 SECONDS EAST ALONG THE NORTHWESTERLY LINE OF SAID LOT 25C FOR A DISTANCE OF 494.46 FEET; THENCE SOUTH 09 DEGREES 08 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 163.64 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 711.94 FEET, AN ARC LENGTH OF 392.26 FEET AND A CHORD BEARING OF SOUTH 28 DEGREES 00 MINUTES 15 SECONDS EAST FOR A DISTANCE OF 487.32 FEET; THENCE SOUTH 44 DEGREES 04 MINUTES 16 SECONDS EAST FOR A DISTANCE OF 102.37 FEET; THENCE SOUTH 61 DEGREES 17 MINUTES 36 SECONDS EAST FOR A DISTANCE OF 19.78 FEET TO THE SOUTHEASTERLY LINE OF SAID LOT 25 D; THENCE SOUTH 46 DEGREES 29 MINUTES 08 SECONDS WEST ALONG SAID SOUTHEASTERLY LINE FOR A DISTANCE OF 316.35 FEET TO THE SAID NORTHEASTERLY LINE OF CENTRAL PARK DRIVE; THENCE NORTH 31 DEGREES 46 MINUTES 53 SECONDS WEST ALONG SAID NORTHEASTERLY LINE FOR A DISTANCE OF 129.45 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 3,304.00 FEET, FOR AN ARC LENGTH OF 508.10 FEET ENCOMPASSING AN AREA OF 4.60 ACRES.

1213 TIF-5

A TRACT OF LAND BEING ALL OF LOT 29A OF CENTRAL PARK PLAZA 4TH ADDITION, 1ST AMENDMENT AS RECORDED IN PLAT BOOK 104 PAGE 9, DOCUMENT A01830816, A SUBDIVISION BEING A PART OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHEASTERLY CORNER OF SAID LOT 29A, THENCE SOUTH 83 DEGREES 52 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 132.08 FEET TO THE NORTHEASTERLY LINE OF CENTRAL PARK (VARIABLE WIDTH) DRIVE; THENCE NORTH 89 DEGREES 36 MINUTES 56 SECONDS WEST FOR A DISTANCE OF 9.37 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 370.00 FEET, AN ARC LENGTH OF 72.44 FEET AND A CHORD BEARING OF NORTH 86 DEGREES 54 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 72.32 FEET; THENCE ALONG A CURVE OF THE RIGHT HAVING A RADIUS OF 370.00 FEET, AN ARC LENGTH OF 59.18 FEET AND A CHORD BEARING OF NORTH 76 DEGREES 42 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 59.12 FEET; THENCE ALONG SAID NORTHEASTERLY LINE OF CENTRAL PARK DRIVE, NORTH 00 DEGREES 23 MINUTES 07 SECONDS EAST FOR A DISTANCE OF 297.69 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 245.42 FEET; THENCE SOUTH 03 DEGREES 25 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 25.43 FEET; THENCE SOUTH 05 DEGREES 04 MINUTES 34 SECONDS EAST FOR A DISTANCE OF 276.84 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AN AREA OF 1.81 ACRES.

1213 THE-6

A TRACT OF LAND BEING ALL OF LOT 10C OF MINOR SUBDIVISION LOT 10
AND OUTLOT 1 AMENDED PLAT OF CENTRAL PARK PLAZA 1ST ADDITION,
1ST AMENDMENT AS RECORDED IN PLAT BOOK 105 PAGE 8, DOCUMENT
A001879246, A SUBDIVISION BEING A PART OF THE SOUTHWEST QUARTER
OF SECTION 25, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD
PRINCIPAL MERIDIAN, CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS
AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 10C LOCATED ON
THE NORTH LINE OF PARK PLAZA (50.00 FEET WIDE) DRIVE, THENCE
NORTH 89 DEGREES 22 MINUTES 05 SECONDS WEST ALONG SAID NORTH
LINE FOR A DISTANCE OF 193.10 FEET, THENCE LEAVING SAID NORTH
LINE, NORTH 37 DEGREES 59 MINUTES 58 SECONDS WEST FOR A DISTANCE
OF 12.33 FEET; THENCE NORTH 15 DEGREES 00 MINUTES 30 SECONDS WEST
FOR A DISTANCE OF 130.49 FEET; THENCE NORTH 37 DEGREES 48 MINUTES
42 SECONDS EAST FOR A DISTANCE OF 24.17 FEET, THENCE SOUTH 89
DEGREES 22 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 219.13 FEET;
THENCE SOUTH 00 DEGREES 11 MINUTES 51 SECONDS EAST FOR A
DISTANCE OF 154.56 FEET TO THE POINT OF BEGINNING, ENCOMPASSING
AN AREA OF 0.77 ACRES.

1213 TIF-7

A TRACT OF LAND BEING ALL OF LOT 16 AND OUTLOT 2 AMENDED PLAT OF CENTRAL PARK PLAZA 1ST ADDITION, AS RECORDED IN PLAT BOOK 95 PAGE 21, DOCUMENT A0154823, A SUBDIVISION BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID OUTLOT 2, LOCATED ON THE SOUTH LINE OF PARK PLAZA (50.00 FEET WIDE) DRIVE; THENCE LEAVING SAID SOUTH LINE, SOUTH 00 DEGREES 11 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 651.88 FEET; THENCE NORTH 89 DEGREES 26 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 110.01 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 51 SECONDS WEST FOR A DISTANCE OF 450.00 FEET; THENCE NORTH 89 DEGREES 26 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 780.20 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 100.00, AN ARC LENGTH OF 90.92 FEET; THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET, AN ARC LENGTH OF 89.01 FEET; THENCE NORTH 15 DEGREES 00 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 60.00 FEET TO THE SOUTH LINE OF SAID PARK PLAZA DRIVE; THENCE SOUTH 89 DEGREES 22 MINUTES 05 SECONDS EAST ALONG SAID SOUTH LINE FOR A DISTANCE OF 425.93 FEET; THENCE IN A NORTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 325.00 FEET, AN ARC LENGTH OF 92.56 FEET TO THE POINT OF BEGINNING, ENCOMPASSING AN AREA OF 3.16 ACRES.

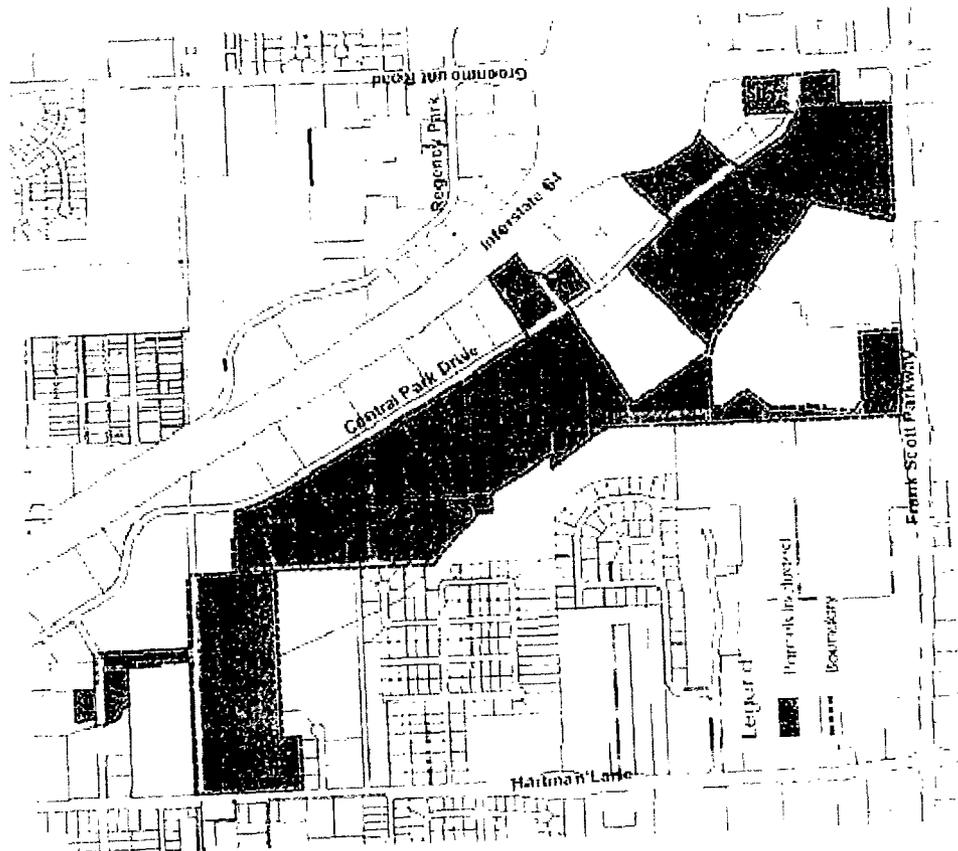


EXHIBIT B

LEGAL DESCRIPTION OF CREP'S PARCEL

Lot 23A

Lot 23A of Central Park Plaza 3rd Addition, 1st Amendment A Resubdivision of Lot 23 of "Central Park Plaza 3rd Addition" and Outlot 1 of "Central Park Plaza 4th Addition, 1st Amendment" , Being a Part of the Northwest, Northeast and Southeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian City of O'Fallon, St Clair, Illinois reference being had to the plat thereof recorded in the recorder's office of St. Clair County, Illinois, in Book of Plats 104 Page 66 as Document NO. A01856670 and containing 1.40 acres

Parcel #03-36.0-201-009

Lot 23B

Lot 23B of Central Park Plaza 3rd Addition, 1st Amendment A Resubdivision of Lot 23 of "Central Park Plaza 3rd Addition" and Outlot 1 of "Central Park Plaza 4th Addition, 1st Amendment" , Being a Part of the Northwest, Northeast and Southeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian City of O'Fallon, St Clair, Illinois reference being had to the plat thereof recorded in the recorder's office of St. Clair County, Illinois, in Book of Plats 104 Page 66 as Document NO. A01856670 and containing 1.78 acres

Parcel #03-36.0-201-010

EXHIBIT D

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, COMMERCIAL REAL ESTATE INVESTORS, LP ("CREI"), pursuant to that certain Redevelopment Agreement dated as of _____, 2014, between the City of O'Fallon, Illinois (the "City") and CREI (the "Agreement"), hereby certifies to the City as follows:

1. That as of _____, _____, the construction and installation of [a phase of] the CREI Improvements in connection with CREI's Development Project (as such term is defined in the Agreement) has been substantially completed in accordance with the Agreement.

2. Such CREI Improvements have been performed in a workmanlike manner.

3. This Certificate of Substantial Completion is being issued by CREI to the City in accordance with the Agreement to evidence CREI's satisfaction of all obligations and covenants with respect to [a phase of] the CREI Improvements.

4. The City's acceptance (below) or the City's failure to object in writing to this Certificate within 30 days of the date of delivery of this Certificate to the City (which written objection, if any, must be delivered to CREI prior to the end of such thirty (30) day period), shall evidence the satisfaction of CREI's agreements and covenants to perform the Work related to CREI Improvements.

This Certificate may be recorded in the office of the St. Clair County Recorder. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

Dated this _____ day of _____, _____.

COMMERCIAL REAL ESTATE INVESTORS,
LP, an Illinois limited partnership

By: _____
Name: _____
Title: _____

Accepted by:
CITY OF O'FALLON, ILLINOIS

By: _____
Name: _____
Title: _____

EXHIBIT E

FORM OF CERTIFICATE OF REIMBURSABLE CREI'S DEVELOPMENT PROJECT COSTS

Certificate of Reimbursable CREI's Development Project Costs

TO: City of O'Fallon, Illinois
Attention:

Re: City of O'Fallon, Illinois Tax Increment Finance District (COMMERCIAL REAL ESTATE INVESTORS, LP.)

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement dated as of _____, 2014 (the "Agreement") between the City and CREI. In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Development Project Cost and was incurred in connection with the construction of the CREI Improvements in connection with CREI's Development Project.
2. These CREI's Development Project Costs have been have been paid by CREI and are reimbursable under the TIF Ordinance and the Agreement.
3. Each item listed on **Schedule 1** has not previously been paid or reimbursed from Incremental Property Taxes and no part thereof has been included in any other certificate previously filed with the City.
4. There has not been filed with or served upon CREI any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the component of the work for which this certificate relates have been issued and are in full force and effect.
6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

Dated this ____ day of _____, ____.

COMMERCIAL REAL ESTATE INVESTORS,
LP, an Illinois limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT F

CREI IMPROVEMENTS

The CREI Improvements involve the construction of a 61,000 square foot retail center. These improvements, in particular, will be built to accommodate certain retail businesses. Improvements also include, but are not limited to, all necessary support facilities such as:

- (1) utilities, including construction, reconstruction and/or relocation of utilities;
- (2) a parking lot and all parking lot improvements;
- (3) two curb cuts along Central Park Drive and one on Central Park Circle;
- (4) street improvements and landscaping;
- (5) storm water detention and drainage facilities and other infrastructure improvements required by the U.S. Army Corps of Engineers, St. Clair County or any other entity in order to obtain all necessary approvals and permits ; and
- (6) other infrastructure improvements appurtenant thereto, which are necessary to remove the Blighting Factors described within the Redevelopment Plan, including without limitation, environmental remediation and mine remediation to mitigate the risk of subsidence with respect to CREI's Parcel as determined is necessary by CREI in order for CREI to complete the CREI Improvements.

Exhibit G
Eligible Development Project Costs

Description	Estimated Cost
1) Property and site preparation, assembly and development costs, land costs, including but not limited to demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, coal mine stabilization remediation and the grading and clearing of land	\$753,100.00
2) Mine Remediation – Studies, reports and mine remediation work	\$ 0.00
3) Site work – Clearing and grading (Earthwork), engineering, legal, construction management, development financing, and cost of the construction of public works or improvements (construction, reconstruction or repair of rights of way, streets, roadways, curbs and gutters, pedestrian walkways and sidewalks, street lighting, landscaping and utilities including sanitary sewer, storm sewers and drainage infrastructure, lift station, water lines and associated water treatment plant components) Water Line Sanitary Sewer Lines, Storm Water and Drainage Infrastructure, Sidewalk and Pedestrian Walkways and Engineering and Agency Fees	\$487,300.00
Total Estimated Eligible Costs	<u>\$1,240,400.00</u>

City of O'Fallon
St. Clair County
Year Ended April 30, 2015

	TOTAL						TIF #4			
	TAX INCREMENT		TIF #1		TIF #2		TIF #3		TIF #5	
	<u>FINANCING</u>		<u>Rasp Farm</u>		<u>Green Mount</u>		<u>Central Park</u>		<u>Rte 50/Scott</u>	
									<u>Troy Road</u>	
									<u>Central City **</u>	
REVENUE										
Property Tax	\$	651,379	\$	365,198	\$	16,173	\$	270,008	\$	-
Investment Income	\$	27	\$	27	\$	-	\$	-	\$	-
TOTAL REVENUE	\$	651,406	\$	365,225	\$	16,173	\$	270,008	\$	-
EXPENDITURES										
Development	\$	322,849	\$	3,948	\$	216,523	\$	3,448	\$	21,802
TIF Surplus Distribution	\$	82,866	\$	-	\$	-	\$	82,866	\$	-
Tax Increment Financing	\$	185,936	\$	-	\$	-	\$	185,936	\$	-
Capital expenditures	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL EXPENDITURES	\$	591,651	\$	3,948	\$	216,523	\$	272,250	\$	21,802
Excess (deficiency) of revenue over expenditure	\$	59,755	\$	361,277	\$	(200,350)	\$	(2,242)	\$	(21,802)
Fund Balance Beginning of Year	\$	(64,445)	\$	132,633	\$	(99,014)	\$	(98,064)	\$	-
Fund Balance 4/30/2015	\$	(4,690)	\$	493,910	\$	(299,364)	\$	(100,306)	\$	(21,802)

** Ordinance was signed 6/1/15 (FY16)

City of O'Fallon
St. Clair County, Illinois

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

Year Ended April 30, 2015

	<u>Tax Increment Financing</u>
REVENUES	
Property taxes	\$ 651,379
Intergovernmental receipts	
Sales tax	-
Replacement taxes	-
Grants	-
Motor fuel taxes	-
Administrative fees and rentals	-
Room tax	-
Investment income	27
Annex fees	-
Build America bond rebates	-
Miscellaneous income	-
Fee in lieu of taxes	-
	<u>651,406</u>
EXPENDITURES	
General government	-
Highways and streets	-
Development	-
Tax Increment Financing	591,651
Tourism	-
Capital expenditures	-
Debt service	
Principal retirement	-
Interest and fiscal charges	-
	<u>591,651</u>
Excess (deficiency) of revenues over expenditures	<u>59,755</u>
OTHER FINANCING SOURCES (USES)	
Capital contributions	-
Transfer to component unit	-
Transfer from other funds	-
Transfer (to) other funds	-
	<u>-</u>
Total other financing sources (uses)	<u>-</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(continued)
Year Ended April 30, 2015

	<u>Tax Increment Financing</u>
Net change in fund balance	59,755
Fund balance (deficit), beginning of year	<u>(64,445)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (4,690)</u>



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

Honorable Mayor and City Council
City of O'Fallon, Illinois

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
TAX INCREMENT FINANCING ACT

We have audited the basic financial statements of the City of O'Fallon, Illinois, for the year ended April 30, 2015, and have issued our report thereon dated October 22, 2015, which was qualified for not determining whether the net pension obligation for the Police Pension is over or underfunded, an omission of a portion of the Police Pension disclosures, not determining a cost or liability for other post-employment benefit costs and the omission of the other post-employment benefits disclosures. The financial statements are the responsibility of management for the City of O'Fallon. Our responsibility is to express opinions on the financial statements based on our audit.

Our audit was made in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The management of the City of O'Fallon, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the accounting provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced laws and regulations insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council and management of the City of O'Fallon, Illinois and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Scheffel Boyle

Belleville, Illinois

October 22, 2015

